



TENNESSEE REGULATORY AUTHORITY

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Nashville, Tennessee 37243
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NOTICE OF FILING

DOCKET NO: 00-00680

IN RE: Petition of Ben Lomand Communications, Inc., for Approval to Issue and Sell up to an Additional \$1,000,000 in Common Stock of Ben Lomand Communications, Inc.

DATE: November 13, 2000

In order to assist the Tennessee Regulatory Authority ("TRA") further in its consideration of Ben Lomand Communications, Inc.'s ("BLC") Petition in this docket, BLC is requested to respond to the following questions. Please submit your responses to the TRA on or before **November 22, 2000**.

1. To what extent does the cost allocation plan proffered by BLC at its CCN hearing address the terms and conditions concerning either BLRTC's ownership of BLC's stock equity or BLRTC's loans to BLC?
2. To what extent is TCA § 65-5-208(c) or other state or federal law applicable to the existence of overlapping corporate directors of BLRTC and BLC who many participate in the development or execution of financing arrangements between BLRTC and BLC?
3. On page 12 of his pre-filed direct testimony in Docket No. 98-00600, Levoy Knowles states, "Every effort will be made to ensure that BLC bore the full cost of whatever service it obtained."
 - a. What does the term "full cost" mean in the context of this quote?
 - b. As a matter of federal and state law and policy, should the "full cost" as defined in the response to part a) be comparable to the economic costs (including opportunity costs) faced by a certified CTSP that is neither wholly owned by a telephone cooperative as defined by Tennessee law nor otherwise wholly owned by an ILEC?

4. Hypothetically, if BLRTC faced competition for local exchange services, would BLRTC continue to hold 100 percent of BLC's stock or hold BLC's stock under the same terms and conditions?
5. BLC's petition in Docket No. 99-00496 prospectively pledges, with respect to BLC's sale of stock to BLRTC, "to keep as much as possible the equities of [BLC and BLRTC] separate in that requirements of Tennessee Regulatory Authority and the FCC along with state and federal laws for all practical purposes require such a division." Please comment on how the requirements of the Authority and the FCC as well as state and federal laws would require a division between or separate ownership or control by BLC and BLRTC of the debt and stock equities of BLC and BLRTC.
6. Assume Tennessee law prohibits incumbent local exchange companies, public utilities, or other entities granted exclusive service franchises as defined under Tennessee law from cross-subsidizing corporately affiliated CTSPs as defined under Tennessee law. Under that assumption, as a matter of law and policy, explain whether a telephone cooperative as defined under Tennessee law is permitted to cross-subsidize a corporately affiliated CTSP under Tennessee law.
7. Please comment on whether any provisions of state or federal law prohibit, or limit the ability of, a telephone cooperative as defined by Tennessee law to cross-subsidize a corporate affiliate or assign that is a certified CTSP under Tennessee law?
8. Does the phrase contained in TCA § 65-29-132, "This chapter shall be construed liberally." imply as a matter of law and policy that the subject chapter of the phrase necessarily supersedes other areas of state or federal law with which the subject chapter may be in conflict?
9. As a matter of law and policy, how should the Authority resolve any conflict among relevant laws in a manner that best ensures that BLC, as a properly certified CTSP, would compete with other CTSPs on a level playing field and in compliance with Tennessee law?
10. Discrepancies exist between BLC's statements regarding the federal and state tax exemptions enjoyed by BLRTC as found on page 37 of the December 15, 1998, transcript in Docket No. 98-00600 and on page 8 of BLC's August 29, 2000, data request response in Docket No. 00-00680. Please clarify what tax exemptions BLRTC or BLC enjoy under federal and state law.

FOR THE TENNESSEE REGULATORY AUTHORITY

A handwritten signature in black ink, appearing to read "K. David Waddell". The signature is stylized with a large, bold "K" and a cursive "Waddell".

K. David Waddell, Executive Secretary

cc: Parties of Record